BERTRON, STORRS & GRISCOM

40 WALL STREET LAND TITLE BUILDING

New York, March 8, 18000 T.

Messrs. Lee, Higginson & Company,

44 State St ..

Roston, Mass.

Gentlemen: -

would you be good enough to send us a memorandum of the amount of common stock which is due you on the NcCALL FERRY POWER proposition, according to your memorandums, as we desire to get this matter straightened out with Mesers. Harvey Fisk & Sons.

Thanking you in advance for your kindness,

we are,

Very truly yours,

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....... 1906. ...

Vessra. Lertron, Storrs & Griscon,

40, Wall Street, Mes York, N. /.

Ter Sire:

To beg to acknowledge the receipt of your letter of Weren 8th in reference to the prount of cosmon stock which it was a great to allow us on account prount underwriting of Susquehanna Tator Power.

We muote from your letter of March 25th, 1905, as follows:

bankers, Kesers. Harvey, Fisk & Sons, 25% of common stock on the Susquehanna Water Power Underwriting of \$2,000,000, subscriptions to be furnished by you, or \$500,000 par value of the same, etc. . . . The same to be transferred to you as soon as issued.

The total underwriting taken by us is \$2,620,000, on \$500,000 of which it is clearly stated in the letter of your Er. Bertron to our Er. Lane of March 25th, 1905, that you could not allow us may commission in common stock. On the balance of \$120,000 we do not find any memorandum as to whether we were to receive a com-

Our inference is that \$500,000 in common steek evers the

Yours very truly & MESUINNEW & CA.

Agreement for Acquisition of Pullen's Options by Susquehanna Contracting Company

ASSIGNMENT and AGREEMENT, dated April 29, 1905, by and between CHARLES D. PULLEN, of the City of New York, (hereinafter called "Assignor"), and BERTRON, STORRS & GRISCOM, Bankers, of the City of New York, (hereinafter called "Assignees").

Assignor, in consideration of ten thousand dollars (\$10,000), receipt whereof is hereby acknowledged, and in consideration also of the agreement of Assignees hereinafter stated, hereby assigns, transfers and sets over absolutely unto Assignees, their successors, heirs and assigns, forever, a certain agreement between Assignor as party of the first part, and George K. McGaw, James H. Harlow and M. H. Houseman, parties of the second part, (a copy whereof is hereunto annexed marked "A"), and also a certain agreement between Assignor as party of the first part and B. Harvey Welsh and others, parties of the second part, dated March 21, 1905 (a copy whereof is hereunto annexed marked "B"), and also a certain agreement between Assignor, party of the first part, and said Harlow, McGaw and Houseman, parties of the second part, dated April 5, 1905 (a copy whereof is hereunto annexed marked "C"), and all and every right, title and interest, claim, demand, op tion, privilege, advantage and opportunity belonging to, vested in, enjoyed by, conferred upon or arising or existing in or in favor of Assignor by, under or pursuant to, or that may arise or grow out of, any or all of the said contracts or any of the provisions thereof.

their successors, heirs and assigns, in his or their names, but at their own cost and charge, to do and perform every

thing, exercise every right, option, privilege, advantage and opportunity which Assignor might or could do under or pursuant to, or in carrying out, the said contracts or any thereof, or any provision of any thereof, if this assignment were not made.

Assignor states and represents that this assignment conveys and transfers to Assignees every right, title and interest of the Assignor either in land, water, easement, option, corporate stock or of any other character connected with or relating to the Susquehanna River between Columbia, in the State of Pennsylvania, and Havre de Grace in the State of Maryland, or connected with, or that might be useful or of advantage to own in connection with, any development of water power or water storage of said part of said river, or in or in connection with transmission of power therefrom; and in case it should be found that the Assignor has any right, title or interest which does not pass by the assignment hereinbefore made, then for the same considerations aforesaid Assignor hereby assigns, transfers and sets over absolutely to Assignees, their successors, heirs and assigns, forever, every such right, title and interest, and hereby agrees to make, execute and deliver such further instrument of assignment or transfer as may be reasonably required to vest title to every such right, title and interest in Assignees; and Assignor further states and represents that none of said contracts hereby assigned, nor any right, title or interest therein has been assigned or in any way encumbered by him or in his behalf, and that he has good right and clear title to assign and transfer the same as he does hereby.

In consideration of the assignments of Assignor hereinbefore stated, Assignees hereby agree, in addition

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to the cash payment hereinbefore mentioned, to cause to be transferred and delivered to Assignor fifteen thousand dollars (\$15,000) in aggregate par value of the common stock of the corporation described in the Bond and Stock Purchase Agreement hereto annexed, marked "D", as the company "to be formed with the name Susquehanna Power Company or other appropriate name"; such stock to be delivered as soon as such corporation has been capitalized as in said agreement set forth and its common stock is ready for issue to others.

IN WITNESS WHEREOF said parties have hereunto set their hands and seals the day and year first above written

The Deluc (S.S.)

In consideration of \$10,022.22 and of the agreement of the assignees hereinafter stated, Bertron, Storrs & Griscom, called assignees in the agreement and assignment hereto prefixed, hereby assign, transfer and set over to Susquehamna Contracting Company, a corporation of the State of New York, the said assignment and agreement, and all rights, titles and interests of said Bertron. Storrs & Griscom therein or thereunder.

In consideration of the foregoing assignment, the Susquehanna Contracting Company hereby assumes and agrees to perform the obligation of Bertron, Storrs & Griscom under the assignment and agreement aforesaid to cause to be transferred and delivered to Charles D. Pullen \$15,000 in aggregate par value of common stock.

IN WITNESS WHEREOF said parties have executed this instrument this loth day of June, 1905.

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Feb. 36, 1905

THIS AGREEMENT, made by and between CHARLES D. PULLEN, of the City of New York, party of the first part, and GEORGE E. McGAW, JAMES H. HARLOW, and M. H. HOUSFMAN, of Saltimore, Maryland, parties of the second part;

WITNESSETH

THAT, WHEREAS the said party of the first part has been engaged for sessetime in efforts to acquire the ownership and control of certain lands, water rights and easements located in and along the Susquehanna River, within the Counties of York and Lancaster in the State of Pennsylvania and in the Counties of Harford and Secil in the State of Maryland, with a view to causing the same to be conveyed, transferred and assigned to a suitable corporation, and thereupon cause the stock and bonds of such exporation to be financed by order to pay for said lands and other properties and to cause the same to be developed by the construction and establishment of one or more hydro-electric works thereon, within and along said river, for the benefit of the stock- and bondholders of said corporation; and

whereas the said parties of the second part hereto own and control a portion of the said lands, water rights and easements necessary to be acquired for said project, which they have agreed to convey, transfer and assign to a proper corporation is order to carry out said enterprise, on terms and conditions as hereinafter set forth; and

WHEREAS the said party of the first part claims the ability on his part to acquire upon reasonable terms, for such corporation, the ownership and controlled by Cary T. Hut-chinson and his associates in and along said River in Pennsylvania, and also all of

the lands and other properties owned and controlled by B. Harvey Welch and his associate Stockholders, in the Susquehanna Power Company, and located in and along said River in Maryland, whether the title papers to said last mentioned necessary lands and properties now stand in the name of the said Susquehanna Power Company or otherwise;

NOW, THEREPORE, THIS AGREEMENT PURTHER WITNESSETH:

THAT for and in consideration of the premises and of the sum of One Dollar by each party to the other paid, the receipt whereof is hereby asknowledged, it is agreed by the parties hereto as follows: That if the said Pullen is successful in his efforts to combine under one united ownership and control all of the necessary lands, water rights, easements and properties located within and along said Susquehanna River as now contemplated, at any time before the first day of July 1905, thereupon the parties of the second part hereby agree to sell, convey, transfor and assign to such proper corporation as he, the said Pullen or his assigns may direct, all the lands, water rights, easements and properties now owned by the said parties of the second part jointly or as individuals, and located in and along the said Susquehanna River, in consideration of the payment of the full sum of Five Hundred Thousand Dollars (\$500 000.) in cash and One Million of Dollars (\$1 000 000.) par value of the stock in the united or controlling corporation which is to be argenteed and used for the carrying out of said project; said lands and property which are to be so conveyed, transferred and assigned by the said parties of the second part being more particularly designated as follows:

a. All of the Sapital Stock at that time issued and outstanding of the Susquehanna Canal and Power Company, a corporation of Ponneylvania, which owns and controls the canal and water power rights thereunto belonging, extending along the western bank of said Susquehanna River between Wrightsville, Pennsylvania, and the Maryland and Pennsylvania State Line, a distance of Thirty (30) miles, more or less.

- b. All the canal rights and property of the Old Tide-Water Canal Company in Maryland now held by Geo. K. RcGaw and James H. Harlow in trust for said Susquehanna Ganal and Power Company, being the canal lands and property extending along the West wank of the Susquehanna River from the Maryland and Pennsylvania State Line to Havre de Grace, Maryland, a distance of Fourteen (14) miles, more or less.
- prietors of the Susquehanna Canal in Maryland, a corporation owning and possessing the canal lands and property, including the special and exclusive water power rights granted to said corporation by several special Acts of the General Assembly of Maryland, which said Canal lands and property extend within and along the Eastern shore of said Susquehanna River a distance of Nine (9) miles, more or less.
- d. Four Hundred (400) Shares of the Capital Stock of the Conowingo Land Company of Cecil County, out of a total issue of Six Hundred (600) Shares, which carried the control of all that certain tract of land located in Cecil County, Maryland, containing Eight Hundred and Fifty (850) Acres, more or less, and having a frontage of about Six Thousand Two Hundred (6 200) feet along the east shore of said Susquehanna River.

And also all the lands, islands, river bed and shore-rights now owned or controlled by said Harlow and McGaw, whether by deed in fee or release or under contract of option or otherwise.

- control of a unjority of the Sapital Stock of the Cenewingo Bridge Company, hereby and control of a unjority of the Sapital Stock of the Cenewingo Bridge Company, hereby any such mater power company, in connection with the construction, eperation and maintenance of its hydro-electric works, and they further agree with the said Pullen that he shall have the option, until July 1st, 1905; to purchase all of the Stock which they now own in said Conowingo Bridge Company, which is more that a unjority of at the price of Twenty Dollars (\$20.) per Share; provided that the purchase of the properties are made as herein contemplated.
- cause to be made a map showing the River frontage of all the lands and properties now owned and controlled by them, and which they have hereby agreed to sell, convey and transfer as aforesaid, and they will also cause to be shown on said map such other lands and properties lying in and along the said River, located between the lands and properties of the said Hutchinson and others on the North, and the said Welch and others on the South, which may be deemed necessary to be acquired by said Pullen from the various owners thereof, for the purposes of carrying out the said project; and in this connection the parties of the second part further agree to co-operate with and assist the said Pullen in negatiating for and acquiring any of said lands and properties, whenever they may be able to aid him in that behalf.

And the said Pullen, party of the first part hereto, hereby agrees to continue to devote his best efforts and energies to the consummation of the said plans for the carrying out of said project, and in that connection to co-sperate qwith the parties of the second part hereto.

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It is further understood and agreed that if the said project has not been carried out to the extent of the conveyance, transfer and assignment of all of the said lands and properties by the said parties of the second part hereto, and the receipt by them of the money and Stock in payment therefor, as contemplated to be made and paid, or or before July 1st, 1905, and if in the meantime material progress has been made by the parties hereto towards the completion of the things to be done and accomplished under this agreement, and if an extension of time, beyond said first day of July, 1905, is required in order to enable the said Pullen or his assigns to carry out the terms of this Agreement, then upon the written request so to de made by the said party of the first part or his assigns; together with the payment therewith to the parties of the second part hereto of Twanty Per Cent. (20%) of the full cash price herein named, being One Hundred Thousand Dollars (\$100 000.), thereupon an Agreement in writing granting an extension of Minety (90) days will be given by the parties of the second part to the said party of the first part, and if any other or further like extension of time be so required and requested and granted in writing, a like amount of money shall be paid therefor; It being further understood and agreed that if any such extension or extensions of time are so granted, the money paid from time to time therefor shall be applied to and credited on account of the purchase price named in this Agreement, but in the event of the failure by the said party of the first part, or his assigns, to make and complete the full and final payments of the said Five Hundred Thousand Dollars (\$500 000.) of purchase money to the said parties of the second part, on or before December 31st, 1905, then and thereupon the entire sum of mency theretofore paid for extensions and otherwise, is forfeited, to the said parties of the second part, and the right, title and possession of any and all lands, properties and stock, or other interests therein, which may have been previously conveyed, transferred or assigned

by them under this Agreement, shall likewise be forfeited and returned to and vested in the said parties of the second part, and thereupon this Agreement shall be null and void.

It is further understood and agreed that the payment and delivery of the One Million Dollars (\$1 000 000.) of Stock to the parties of the second part by the party of the first part, shall be waived until the said lands and properties have been conveyed, transferred and assigned, under this Agreement, as aforesaid, or otherwise the time for payment and delivery of said Stock shall be extended until such time as Stock of such controlling corporation is ready to be issued to other persons as Stockholders therein.

This Agreement shall be binding upon the heirs, executors, Administrators, successors and assigns of the respective parties hereto.

WITNESS the hands and reals of the persons herein named as parties of the first and second parts hereto, respectively. "Dated First 28 1905"

witness to the zignetimes Chas Dellen (STAL)

of the parties hereto

Chas Dellen (STAL)

Chas R. mcConsed Sell Call. (STAL)

Chas R. mcConsed Sell Call. (STAL)

Chaster of Lieg James H. Harlow (STAL)

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MEMORANDUM OF AGREEMENT made this Journal day of

A. D. 1905, by and between CHARLES D. PULLEN, of
the City of New York, in the State of New York, hereinafter called the party of the first part, and B. HARVEY WELCH and C.WILLIAM
WODDROP, individually and trading as Woddrop & Welch, of Hughesville, in the State of Pennsylvania, L. H. WODDROP, SAMUEL MASON,
HENRY W. STOKES, JONATHAN EVANS, individually and as Trustee, and
JOEL H. DeVICTOR, all of the City of Philadelphia, in the State
of Pennsylvania, THOMAS H. SAVERY, WILLIAM H. SAVERY and PUSEY &
JONES COMPANY, of Wilmington, in the State of Delaware, being
stockholders of the Susquehanna Power Company, hereinafter called the parties of the second part, TITNESSETH, that

WHEREAS, the said Charles D. Pullen is engaged in acquiring the ownership and control of certain lands, water-rights, easements, etc., in and along the Susquehanna River, from McCaul's Ferry, in the State of Pennsylvania, to tide water in the State of Maryland, with the view of having the same conveyed, transferred and assigned to a corporation hereafter to be selected by him.

AND WHEREAS, the said Susquehanna Power Company is the owner of a certain portion of said lands, water-rights and easements in the State of Maryland, near Conowingo, necessary to be acquired in connection therewith.

AND WHEREAS, the said party of the first part has represented to the parties of the second part that he has arranged to acquire all the following properties:

- (a) Property known as the McCaul's Ferry Development, owned and controlled by Carry D. Hutchinson and others.
- (b) All the property owned and controlled by George K. McGaw, James H. Harlow, George R. Harlow, M. H. Houseman, the

Conowinge Land Company, the Susquehanna Canal Company, the Tide Water Canal Company, the Old Maryland Canal Company, both in Maryland and Pennsylvania.

(c) And also all the property owned and controlled by the parties of the second part.

NOW THIS AGREEMENT WITNESSETH.

of the sum of One dollar, by each party to the other in hand paid, the receipt whereof is hereby acknowledged, the parties of the second part, for the consideration hereinafter mentioned, hereby agree to sell, assign and transfer to the party of the first part all their capital stock of the said Susquehanna Power Company standing in the names of the several parties of the second part on the books of said Company at the date and time of this agreement, as follows:

NAME:	SHARES:
Woddrop & Welch,	1887
B. Harvey Welch,	7.5
C. William Woddrop,	5
L. H. Woddrop,	3
Joe' H. DeVictor,	100
Henry W. Stokes,	388
Jonathan Evans,	333 €
Pusey & Jones Company,	499
Samuel Mason,	321
Thomas H. Savery,	165
William H. Savery,	1
Jonathan Evans, Trustee,	4
Hanson H. Haines, Henry W. Stokes a Samuel Mason,	nd 1
	9 3612

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And the said party of the first part hereby agrees to purchase and pay for the said stock at its par value, to wit, the sum of One hundred dollars per share, on or before July 1st, 1905.

It is further agreed that in case the party of the first part is, for any reason, unable to pay for said stock, in full, on or before July 1st, 1905, and shall tender and pay in cash to the parties of the second part at least Twenty per cent. of the par value thereof, then this agreement shall be extended for a period of ninety days from July 1st, 1905, and in the event of any further extension being asked for, an additional Twenty per cent. of the par value of said stock shall be paid to the parties of the second part and applied by them on account of the purchase thereof, and so on upon the same conditions until three extensions of ninety days each have been made, provided, however, that the party of the first part shall pay legal interest to the parties of the second part on all unpaid purchase money on and after July 1st, 1905. And in the event of the failure of the party of the first part to pay the balance on said stock at the expiration of the third extension as aforesaid, then all payments made by him on account of said stock shall be forfeited to the parties of the second part as diquidated damages, and this agreement shall be considered cancelled and of no effect.

THIED. It is further agreed that the title or titles to the properties owned by the said Susquehanna Power Company, or which may be in the name of any individual but understood by the parties of the second part to comprise the land or lands belonging to the Susquehanna Power Company, as shown by their property maps, are to be good and marketable and clear of all incumbrances

FOURTH. It is also understood and agreed that all rights or easements owned by the said Susquehanna Power Company upon and

along said river as aforesaid, are included in this agreement of sale.

Susquehanna Power Company now held and owned by the said parties of the second part, shall be placed in the hands of Joel H. De Victor, of 505 Chestnut Street, in the City of Philadelphia, to be held IN TRUST by him for all parties in interest, named in the within agreement, and further IN TRUST to carry out, all the provisions of this agreement, and that all payments of money provided for herein shall be made to the said Trustee IN TRUST to be applied by him as follows:

- (a) In the payment of taxes chargeable upon the property of the said Susquehanna Power Company.
- (b) In payment of the principal and interest of any and all obligations legally owing by said Company of record or otherwise, when so directed by a majority of said stockholders.
- herein as the parties of the second part, or to such person or.

 persons as may be designated by them as justly and legally entitled to receive the same, in proportion to their stockholdings in said Susquehanna Power Company.

SIXTH. It is further agreed that the parties of the second part shall at once loan to the party of the first part all maps and briefs of title now in the possession of the said Susquehanna Power Company relating to its said property, for the purpose of aiding in the investigation of the title thereto.

SEVENTH. It is further agreed that the sale of the stock of the partles of the second part is conditioned upon the securing by the party of the first part, by purchase, within the time

limit of this agreement, the following properties, to wit: All the property, or as much thereof as may be agreed upon by them, on the Susquehanna River and adjacent thereto, owned and controlled by George K. McGaw, James H. Harlow, George R. Harlow, M. H. Houseman, the Conowingo Land Company, the Susquehanna Canal Company, the Tide Water Canal Company, the Old Maryland Canal Company, both in Maryland and Pennsylvania.

It is further agreed and understood that in case settlement is not made for said stock on or before the First day of July, 1905, nor extensions made at the dates and times herein provided, then the said Trustee shall, within fifteen days after any failure on the part of the party of the first part to comply with the provisions of this agreement, return said stock so held by him IN TRUST as aforesaid to the several owners thereof, or to such person or persons they may designate to receive the same.

NINTH. It is further agreed that in case any of the stockholders of the Susquehanna Power Company shall fail or refuse to sell their stock to the party of the first part, such failure or refusal shall in no way affect or interfere with the carrying out of all the conditions and provisions herein agreed to be kept and performed by the parties hereto who have executed the same, provided, however, that upon the delivery of their said stock to the party of the first part and settlement therefor by him, the sum to be received by each of the parties hereto shall . be par value for the number of shares of stock standing opposite his or their name or names herein, less the pro rata of the indebtedness of the said Company, which shall be distributed pro rata against the entire capital stock, and to determine such indebtedness an accurate and complete itemized list thereof verified under oath shall be produced and attached to this agreement

at the time of settlement, which said Indebtedness is approximately \$125,000.00.

TENTH. It is further agreed that all conditions herein contained or agreed to be kept and performed by the said parties hereto, shall extend to the heirs, Executors, Administrators, successors and assigns of the said parties of the first and second parts.

witness the hands and seals of the persons herein named who compose the parties of the first and second parts the day and year first above written.

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THIS AGREEMENT, Made this Pifth day of April, A. D., 1986, by and between CHARLES D. PULLEN, of the City of New York, party of the first part and JAMES H. HARLOW, GEORGE K. McGAW, and M. H. HOUSEMAN, of Baltimere, Maryland, parties of the second part,

WI THESSETH:

Agreement made and entered into by him with the said parties of the second part under date of February 28th, 1905, has purchased and acquired certain lands, water-rights and easements located in and along the Susquehanna River within the States of Pennsylvania and Maryland, for the uses and purposes as in said Agreement stated and set forth, a copy of which said Agreement is herete attached and referred to as a part hereof, marked "A".

AND WHEREAS the said Pullen has also made and entered into a certain other Agreement, dated March 21st, 1905, with B. Harvey Welch, et al., as Stockholders in the Susquehanna Pewer Company, a corporation of the State of Maryland, under which he agreed to acquire by purchase the capital stock of said Susquehanna Pewer Company, and thereby one and control certain other lands, water-rights and easements lying in and along the said Susquehanna River, belonging to said Power Company, within the State of Maryland, as in said Agreement is more fully stated and set forth a copy of which Agreement is likewise herete attached and referred to as a part hereof, marked "B".; and

WHEREAS the said parties of the second part herete own and control the capital stock of the Susquehanna Canal and Power Company, a corporation which owns and is possessed of the canal property, water-rights and easements connected therewith, extending along the western bank of said River between Wrightsville,

Pennsylvenia and the Maryland and Pennsylvania State Line, formerly known as the Susquehanna Sanal; and

wherras the said parties of the second part herete now prepare to cause to be increased the capital stock of said Susquehanna Canal and Power Company up to One Million Pive Hundred Thousand Dollars (\$1 500 000.), the same to be hereafter issued in Thirty Thousand (30 000) shares of the par value of Pifty Dollars (\$50.) each, for the purpose, inter alia, of acquiring or causing to be acquired from said Pullen and others, for and on behalf of said Canal and Power Sompany, certain additional lands, canals, canal properties, water-rights, franchises and easements located in and along said river, including those mentioned and described in said two Agreements marked "A" and "B", as therein proposed to be purchased and acquired by said Pullen from Harlow, et al. and from Welch, et al., respectively; and also Confermational brill.

20 hereafter acquire or organize proper charters possessing the necessary franchises and rights for the making of one or more Hydro-Electric developments on said River; and

whereas to that end the said Pullen has agreed and is willing to sell, assign, transfer and set over to the said Susquehanna Sanal and Power Company, all of the lands, water-rights, franchises and easements and other property, including the capital stock of the said Susquehanna Power Company and other Companies and corporations purchased and acquired or to be acquired by him, including all his rights under and by virtue of said two agreements heretofore marked and designated as "A" and "B", for the consideration as hereinafter set fofth:

NOW, THEREPORE, THIS INDENTURE WITNESSETH:

That for and in consideration of the premises and of the sum of One Dollar by each party to the other paid, the receipt whereof is hereby mutually acknowledged, it is agreed by the parties hereto as follows: PIRST: The said Pullen hereby agrees and binds himself that upon the signing of this Agreement by the parties herete, he has thereby sold, assigned, transferred, set ever and delivered to the Susquehanna Sanal and Power Company, its successers and assigns, all his rights, interests and claims, granted to and possessed by him under the said two agreements hereinbefore referred to as a part hereof, and designated as "A" and "B", respectively.

SECOND: The said parties of the second part herete will proceed without unnecessary delay, under the advice of Counsel to cause the capital stock of the Susquehanna Canal and Power Company to be incremed to an authorized issue of Thirty Thousand (30 000) shares of the par value of Fifty Dollars (\$50.) per share.

THIRD: The said parties herete will co-operate with each other recuptly in causing to be sold, conveyed, transferred, assigned and delivered to or for the use and benefit of the said Susquehanna Ganal and Power Company, its successors and assigns all the lands, water-rights, franchises, easements and properties covered by and included in the said agreement marked "A", in consideration of the payment and delivery to and for the use and benefit of said parties of the second part herete of Ten Thousand (10 000) Shares of the capital stock of said Susquehanna Ganal and Power Company, said lands and water-rights, franchises, easements and properties which are to be so sold, conveyed, transferred, assigned and delivered being more particularly described and designated as follows:

All the canal rights and property of the Old Tide Water Sanal Company, in Maryland, now held by George K. McGaw and James H. Harlow, in trust for said Susquehanna Sanal and Power Company, being the canal lands and property extending along the west bank of the Susquehanna River from the Maryland and Pennsylvania State Line

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to Havre de Grace, Maryland, a distance of Fourteen miles more or less.

All of the capital stock issued and outstanding of the "Preprieters of the Susquehanna Canal" in Maryland, a corporation ewning and possessing the canal lands and property, including the special and exclusive water power rights granted to said corporation by several special Acts of the General Assembly of Maryland, which said canal lands and property extend within and along the eastern shore of said Susquehanna River a distance of nine miles, more or less.

Four Hundred (400) shares of the capital stock of the Genewinge Land Company of Cecil County, out of a total issue of Six Hundred (600) shares, which carries the control of all that certain tract of land located in Cecil County, Maryland, containing Eight Hundred and Fifty (850) acres more or less, and having a frontage of about Sixty-Two Hundred (6200) feet along the east shore of gaid Susque-hanna River.

And also all the lands, islands, river bed and shere rights, now owned or controlled by said Harlew and McGaw, whether by Deed in fee or Release, or under Contract of Option, or otherwise.

That the said McGaw and Harlew by reason of their ewnership and control of a majority of the Capital stock of the Conowingo Bridge Company, hereby agree to cause the said Bridge Company to co-sperate in any reasonable manner with the said Susquehanna Canal and Pewer Company, its successors and assigns, in connection with the construction, operation and maintenance of any such Hydro-Electric works that may hereafter be constructed and maintained on that part of the said. Susquehanna River, which will cross ever or under or affect the said Bridge of said Company, or the approaches thereis; and they further hereby agree that the said Susquehanna Canal and Pewer Company shall have the option until July 1st, 1905, to purchase all of the Stock which they now ewn in said Conowinge Bridge Company, which

is more than a majority, thereof, at the price of Twenty Dollars (\$20.) per share; And it is further understood and agreed by and between the parties hereto that the Tide Water and Susquehanns River Railread Company, a corporation of the States of Maryland and Pennsylvania, which has heretofore caused to be located its proposed railroad tracks en, over and along portions of the lands and properties of the said Susquehanna Sanal and Power Company, and the lands and property formerly owned by the Old Tide Water Canal Company on the western side of said River between Havre de Grace, Maryland and Wrightsville, Pennsylvania, will se construct, maintain and operate its said railroad so that it shall not interfere with the use of said canal property as a transportation canal, when reconstructed, widened, deepened, enlarged and otherwise improved and established for navigation purposes, nor with the development, establishment and use of water power plants, water works, Hydro-Electric works and other works for the storage, transportation, conveyance and supply of water and water power, or structures connected therewith, which may be developed and established in and along said Susquehanna River by the said Susquehanna canal and Pawer Company, or its Lessess, Successors or assigns.

FOURTH: The said Pullen, party of the first part herete is hereby granted the right and eption, until the first day of July, 1905, to purchase and asquire the shares of the capital stock of the Susquehanna Power Company, together with all of the lands, water-rights, franchises and easements owned by said Company, as described and optioned to him under agreement "B", as aforesaid, and to sell, assign, transfer and deliver the same to and for the use and benefit of the said Susquehanna Sanal and Power Company, its successors and assigns, free and discharged from all debts and liens, claims and incumbrances whatever, and thereupen the said Pullen shall be entitled to receive as full consideration and in full payment therefor, the delivery in trust (as hereafter designated) for the use and benefit of

himself, his heirs and assigns, Ten Thousand (10 000) shares of said capital stock of said SusqueRanna Canal and Power Company, or in the event that he is unable to deliver that portion of said capital stock of said Susquehanna Power Company now owned and held by H. H. Haines, and not included in said option covered by Agreement "B", then two shares of said Susquehanna Canal and Power Company's Stock shall be withheld and not paid and delivered to said Pullen for each share of the said Haines' stock which he fails to acquire and deliver to said Canal and Power Company.

hereto that they will co-eperate with each other during the life of this Agreement, in all steps taken in the promotion of the interests of the present and future.

Stockholders of the Susquehanna Canal and Power Company, and in the event that the said Pullen has net, on or before the 15th day of June, 1905, acquired and delivered the stock and property of the Susquehanna Pewer Company to the Canal and Power Company, he hereby agrees to make to said Canal and Power Company a report in writing, setting forth in full the then status of his negotiations for the money with which it is his purpose, under this agreement, to pay for the capital stock of the Susquehanna Power Company, in order to enable him thereby to deliver the same over to the ownership and control of the Susquehanna Canal and Power Company, as is intended to be done under the option granted to him by this Agreement.

ef the Susquehanna Sanal and Power Company, when increased and issued as provided for under this Agreement, shall be placed in the hands of a Trustee or Trustees, to be hereafter selected and designated, for the purpose of acquiring, uniting, and holding the valuable properties, franchises, water-rights and easements of said Company under one control and management, and thereby enable all parties in interest to cause to b. effectively carried out their purposes and intentions for the estab-

lishment of a number of Hydro-Electric works in and along said Susquehanna River.

THIS AGREEMENT shall be linding upon the heirs, executors, admin- istrators, successors and assigns of the respective parties hereto.

WITNESS the hands and seals of the persons herein named as parties of the first and second parts hereto, respectively; dated the day and year aforesaid.

witness the E Signatures of the E parties Leveto Offilely James H. Har Con (SEAL)

[21676] Exhibit No. 27—Page 113 (Part 13)

Memorandum on River Situation, April 1905

Carriedo.

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APR 4 1905

TENTATIVE MEHORANDA.

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on the Susquehanna River, one knew as the Peach Better and the other as the Condwingo property.

The Sontinental Trunt Company and Alex. Brown are owners of other parts of the River and of other interests in connection therewith.

Bertain other properties along the River must be purchased.

It is desirable that the preparties be purchased for, and the eptions be exercised for and in the name of, a corporation instead of an individual.

The tentative agreement made between Houseman, Harlow and Quay must be definitely agreed upon and settled. It is desirable that this has done between corporations instead of individuals.

the Harrisburg agreement finally arranged, the Hutchinson devolopment defined as to its boundaries, the entire of the River to be dealt with in
the name of a corporation. The proposed corporation to be used will be a closehelding Company. All of its stock to remain in the hands of a Trustee. Stockholders in said Company will participate in the future prefits of premetion.

Use the Suguet was Canal & Power Co

Company, which is now award and represented in the options above named, increase the Stock of said Company to one million and a half dellars. The Officers and Directors of said Company will be the Stockholders who will be few in number. These will salect a Trustee, which will be, for instance, the Colonial Trust Company or some other such institution. Or if it is thought best, an individual may not as Trustee. The Trustee will receive with the Trust detailed instructions as to

(None of the Stock will be delivered except to the Trustee).

Pullen to agree to transfer or assign to said corporation both of his options now held by hima Corporation agrees to purchase the Peach Bettom and all other properties named in the option signed by MaGaw, Harlow, Houseman and Pullen. paying therefor \$.; and Pullen to agree to assign said eption te the said corporation.

and the Harlow agrees to purchase from Pullen the options on the Conowinga or Walch properties, paying therefor \$50 000. in its stock.

Corporation to set unide \$115 000. of its Capital Stock to purchase the interest now owned by the Continental Trust Geopeny and Alexander Brown as profes Corporation to issue to Patrick Calhoun \$50 000. of its capital stock for services rendered.

All of the feregoing will amount of \$1 115 000. There will then remain in the Treasury of the Corporation \$385 000. of its capital stock. It in proposed to use the stock remaining in the Treasury for the purpose of as uiring the assistance of able Counsel, as well as to acquiring of other lands along the shores of the River and perhaps the purchase of charters which it may be deemed desirable to own.

The Stock in the Treasury of the Company will also furnish new money when required.

McGaw, Harlow and Houseman contingent to have central in the Board of Directors.

The Trustee need not be given the power to vote the Stock.

It is thought the foregoing cleans up the situation and places all the interests under one head the Directors of the corporation; and that the corporperties, having stock or cash to purchase the additional necessary preperties, and owning the op ion to purchase the Welch properties, will be in a strong position for carrying out any attempt, or desired plan/

Regarding the option on the Welch property, it runs to July lat, with no provision for payments until July lat, and it appears that having three month in which to negotiate, and having cleaned up the entire of the River, with the settlement of the Harrisburg agreements and the taking over of all these other interests the actual cash to be paid 1, as it now stands in the Welch option being about \$296 000. This can be arranged either by paying the parties to the option in stock, or by raising the necessary money to carry out the option.

The understanding which we have of the movements of the Hutchinson development indicate that if no time is lost that we are in a good position to carry out our own development on the Peach Bottom, and in the raising of any funds for this urpose the Welch proposition will be easily taken care of.

this general organization of all interests, there is only 20% of the purchase price on the Welch option due to be paid at this time, for which we acquire 90 days' extension. And its seems to be clearly evident that a situation such as this will be for all interests much atronger that any other that could be obtained at the same price. The present owners being the corporation managers.

There seems to be no reason why this corporation should not continue to be a holding Company, and when the money for a development is raised or a sale of the development property contemplated, it can dispose of it in parcels instead of as a whole. It is in this way it would appear that the profits accruing would be much larger than from any heratofore contemplated action.

Exhibit No. 27—Page 116 (Part 14) [2:

Letter From Harlow-McGaw Proposing Consolidation With Harvey Fisk & Sons

M. H. HOUSEMAN,
ATTORNEY AT LAW,
No. 3 E. LEXINGTON STREET.

BALTIMORE, MD.

April 18th, 1905.

Messrs. Harvey Fiske & Sons, Bankers, New York, N. Y.

Gentlemen:

A number of printed copies of a plan or underwriting agreement have been submitted to some of our friends in Philadelphia and Baltimore within the past two weeks. This agreement bears date March 25th, 1905, and purports to be between Subscribers on the one part and Harvey Fiske & Sons, Bankers, on the other part. The corporation named therein is "Susquehanna Power Company", which purports to be capitalized with \$5,000,000 of Common Stock, \$5,000,000 of Preferred Stock, and \$10,000,000 of 30 year 5% Gold Bonds, etc.

A mistake seems to have been made in this matter by some person to us at present unknown, as the name given therein is the same as that of one of our Water Power corporations which has been established for the past five years on the Susquehanna River in Maryland, where it owns extensive property and water-power rights.

A number of Bankers and Brokers, Poresenting investors in Philadelphia, Wilmington, Baltimore and some of the other Cities and towns in Pennsylvania were inclined to subscribe to this enterprise, thinking it was a part of the comprehensive project which has been worked out on the Susquehanna River, under the ownership and direction of the Susquehanna Canal and Power Company.

Under the plans of the Susquehanna Canal and Power Company its canals extending along the Susquehanna River southward from Columbia and Wrightsville, Parto the head of Chesapeake Bay, are being widened, deepened, enlarged and otherwise improved, so as to extend the tide-water navigation of the Chesapeake Bay northward along the Susquehanna River to the large storage dam or pool at Columbia, Pa., where docks and landings will be established, and direct connections made with the main line of the Pennsylvania Railroad System, as well as with the Reading Railroad System. In connection with this general slackwater in navigation improvement, there has also been adopted a plan for the development of the more than 200 feet of fall in the river for Hydro-Electric purposes, all of which is described more in detail on a small sketch or plan, and in a communication from James H. Harlow, President and Chief Engineer of the Susquehanna Canal and Power Co., under date of April 6th, 1905, which I enclose herewith for your information.

This comprehensive project for the development of the extensive water power of the Susquehanna River has, as you will see, been carefully worked out under the supervision of Mr. Harlow, in connection with this important canal or water-way extension. These plans show that 250,000 Electrical H.P. can be developed at the Five power-houses, as proposed, a large part of which current is expected to be utilized in the City of Baltimore, Md. and vicinity, as well as in Wilmington, Del. and Chester and Philadelphia, Pa. Negotiations are pending with the Baltimore & Ohio Railroad Company as well as with the Pennsylvania Railroad Company, in connection with the utilization of a part of this current for operation of their respective railroads through the tunnels in the City of Baltimore. It is also in contemplation to supply power for use at their ferminals within the adjacent territory, and for suburban use from Philadelphia, from Baltimore, and from Washington, D. C.

In connection with investigations which the writer has been working out with the Westinghouse people, we find that the proposed underground railways and terminals of the Pennsylvania Railroad System in New York, as well as the demand for electric

M. H. HOUSEMAN,
ATTORNEY AT LAW,
No. 3 E. LEXINGTON STREET.

Messrs. H. F. & Sons, No. 2.

4/18/05

BALTIMORE, MD.

light and power purposes generally within the City of New York, bring it entirely within the probabilities that a large portion of the current and power from the Susquehanna River can be used there to advantage.

It is also proper to suggest to you that a large amount of that power will be used for industrial works along the River, the same as are now established for diversified uses in connection with the Niagara Falls Power developments.

It is further proposed by my clients to establish a high-class electric railway on, over and along the old canal towing path on the western shore of the River for use as a connecting railroad between these various industrial works and the Pennsylvania and B. & O. Railroads, where they cross the River at Havre de Grace, Maryland, and also with the main line of the Pennsylvania Railroad system at Columbia, Pa., and likewise with the Reading Railroad system, thus affording first-class Railroad facilities, as well as tide-water navigation for the handling of raw materials to those works and the finished product to the general markets.

I am writing this letter somewhat in detail to your house, for the reason that your present interests on the river are apparently in conflict with our plans, which were being worked out on the river long before Dr. Hutchinson had acquired any property rights there. We feel sure that the merits of the enterprise are worthy of very consideration and investigation by your house, with a view to harmonizing and adjust ing the conflicting plans for the development of the entire water power of the River

The writer therefore respectfully asks that someone connected with your hous read over carefully these papers, and as he expects to be in New York the latter par of this week, will take the liberty of calling upon you, and if by that time you hav determined that this matter is not of sufficient interest to warrant a conference, h would be pleased to have you return the papers to him. Otherwise, if you desire t join with him and his clients in an effort to adjust this unnecessary complication, I desires to offer his services to that end.

Respectfully yours,

M. H. HOUSEMAN.

JAS. M. HARLOW, PRESIDENT AND CHAP ENGINEER.

GEO. H. McGAW,

CHAS. R. McCONKEY,

SUSQUEHANNA CANAL AND POWER COMPANY, -15

ROOM 207, No. 2 PLEASANT STREET.

BALTIMORE, MD.

April 6th, 1905.

Mr. M. H. Heuseman.

CounselPfer Susquehenna canal and Power Company,

Beltimers, Md.

mc Call Hebry Co. - Copies of 20

Dear Siri-

I desire to submit for consideration a brief history, covering the general plans of the Susquehana Canel and Power Company for the development of the water power on that portion of the Susquehana River between Wrightsville and Columbia, Pennsylveria, on the north, and Tide Water in Haryland, on the south; and also the relation of the size to the present HeCall's Perry project, together with the serious damages which will recrue to the vested interests of the Canal and Power Campany and others in the event that the SeCall's Perry damage negative constructed at the point of its proposed location.

The proposed works, power-houses and plants of the Susquehana Canal and Power Company were all loaned upon the River pursuent to detailed surveys and soundings, sto., prior to the date of the so-called "Harrisburg Agreement", which was made and signed in the month of April, 1903.

The Attorneys and Agents who arranged this Agreement on behalf of Dr. Cary T. Hutchinson and others, had been engaged during the entire session of the Pennsylvania legislature in endeavors to obtain legislation repealing the Charter of the Susquehanna Canal and Power Company, and also to sesure special rights, powers and privileges to enable them to appropriate to their own use by condemnation presentings the property and rights of said Canal and Power Company and its associate desponations, notwithstanding the fact that these plans had been prepared and the locations made, long prior to the time when Dr. Butchinson and his associates had purchased or acquared any property on the river.

A brief statement of the property rights and plans of the Canal and Power Company may be made as follows:

- (1). The total fall of the Busquehanna River between the top of the old Columbia Dess of the Canal and Power Company and Tide Water in Maryland, is 31 feet.
- (2). The Canel and Power Company has the legal right to reise the eld dam to about El. 233 feet above Tide.
- (3). Our plans for the development of the water power of the river assume that there would be some losses in this head between Columbia and Tide Water in connection with the neveral developments, and that possibly not more than 210 or 21 feet of this full can be utilized.
- (4). It was dermed advisable to divide 200 feet of this fall into five developments of an average of 40 feet each, with a possible head of say 45 feet at two of said power houses.

Mr. H. H. Ho. S. 4/6/05/

develop under a nominal head of 40 feet, the maximum head upon our wheels during low water may equal about 48 feet, and the minimum head in high water may be out down to from 32 to 35 feet, all of which can be regulated for a uniform operation by the adjustment of the electrical machinery within the usual 10% allowance above or below the normal.

(6). The location of the dive developments have been heretofore made on the ground with plans prepared for construction, as follows:

and in the down-streem location, with the power house near the Village of Comowingo, Huryland.

"B" in the power-house location on the westerly side of the River mean to the Maryland and Pennsylvania State Line with the dam extending from the eastern shore of the River at the lower and of the Peach Bettem Peol, and diagonally across and down the river to the head-race wall, a short distance above rewer-house "B"; the tail-race from power-house "B" extending down the river into Haryland, so as to mailise the same water for the operation of the machine. In passing through power-house "A".

enstern where of the river, at a point about 3000 feet more or less below McCall's Perry across the east channel of the river at that point to a chain of islands, thence extending over anid islands and over the bed of the river down stream to the head of Road Island, thence with an embankment still down the river through an i over Road Island and Upper and Lower Pear Islands, to a point about 4000 feet above the mouth of Muddy Crock on the westerly shore of the river, where power-house "C" will be located, extending Between the said embankment and the westerly shore across the head-made or dam thus formed, thence a short tail-race from power-house "C" will discharge the water into the head of the Pench Bottom Pool.

"Turkey Hill with the said dem extending serous and down the river toward the westerly shore to a point in conjunction with a head-race wall, which head-race wall is continued down the river parallel with the western shore to a point at or near "Lockport", where power-house "R" is located, then with a tail-race embankment from said power-house "R" extending further down stream parallel with the west-rly shore of the river to a point a short distance above Shank's perry where power-house "D" is located upon this canal; then with a short tail-race from power-house "D", which discharges the water into Peol "C".

In this manner the five power-bouse developments have been designed and decated in conjunction with the proposed work to widen, de pen, enlarge and otherwise improve the transportation canal of the Susquehanna Canal and Power Company, to permit the passage of vessels between the head of Chesapeake Bay and Columbia and Wrightsville, Pennsylvania, located at the head of the large storage dam or peol above power-house "R", some 40 miles further north than present tide-water navigation; and also in this connection, the various water-power adoptrations

Mr. M. H. H. No. 3. 4/6/05/

which have been chartered and organized in the States of Pennsylvania and Maryland have arranged to work in conjunction with the development plans of the Susquehanna Ganal and Power Company in the construction of menessary locks around the several dams and power-houses for the passage of vessels, and as you are aware, these several development corporations have heretefore proceeded to acquire by purchase, as well as by appropriation proceedings, necessary lands, water-rights, and casements for their respective power-house developments.

Under this general plan the Susquehanna Palls Fower Company of Permsylvania was organized for the purpose of constructing, owning and operating the power-house and development hereinatove designated as "C", and prior to the "Harrisburg Agreement" of April, 1903, had acquired a large part of the necessary lands, islands, water-rights and easements for that surpose, and proposed to develop its water-power canal in connection with the transportation cenal of the Susquehanna Canal and Power Company, and its surveys, soundings and plans had also been worked out in detail and a large expenditure of money had been made and much time had been consumed by its Engineers and Experts in the study and preparation of said plans; and in connection therewith the said Dr. Cary T. Hutchinnen, as an Electrical Engineer and Ripert for certain New York Bankers, acquired his first knowledge of the propesed development of the water-power of the Susquehanna River sometime prior to 1903, when these preliminary plans were submitted to him at the instance of the said Bankers during their consideration of a proposition for financing the project; and it was some ine thereafter, when Dr. Hutchinson and his associates, having acquired certain lands and water-rights on the river, between the locations of dam and powerhouse "C" and power-house "D", that the attempt was made in the legislature at Harrisburg, at the January Session of 1903, to repeal the charter of the gusquebanna Canal and Power Company and to appropriate its property and water-rights as above This attempt was finally defeated and this expensive contest resulted in the signing of the "Harrisburg Agrooment", as a tentative Agreement or plan for the adjustment of the interferences and differences between the prior plane and lodetions of the Sugmehanna Canal and Power Company, the Tide-Water and Sugmehanna River Railroad Company and the Susquehanne Falls Power Company on the one part, and such corporation as might thereafter to organized to carry out the alleged plans of Dr. Hutchinson and his associates for a Hydro-Riestric development near McCall's Ferry, on the other part. The undersigned and yourself were present at Harrisburg and, acting together, constituted the "parties of the first part" who signed the "Harrisburg Agreement", with Hr. P. P. Quay as "the party of the second part", who at that time purported to represent the said Dr. Mutchinson and his associates, and likewise the corporation to be thereafter formed in their behalf for the purpose of constructing, maintaining and operating the proposed dam and water-power plant mear McCall's Perry, as above mentioned, etc. In this connection I quete from the said "Harrisburg Agreement" as follows:

The parties of the first part further agree that they will cause, or produce, the Susquehama Canal and Power Co., by means of lawful a reporte action, on its part, to enter into a contract with the party of the second part and his associates, or such corporation as shall hereafter be formed in their behalf for the purpose of constructing, maintaining and operating a dam and

Mr. M. H. H. No. 4. 4/6/05/

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(Extract from Harrisburg Agreement Cont.)

water-power plant, about one mile below McCall's Perry, as before mentioned, in pursuance of which contract, the Susquehanna Canal & Power Co., will sensent and agree to the construction, maintenance and operation of such dam and water-power plant, UPON CONDITION, that if the level of the water shall be reised by reason of such dem above that of the prosent canal, the Susquehanna Canal & Power Co., its successors and assigns, shall have the right of passage for vessels along the route of said canal, and within the pool farmed by such dam, and that the persons owning or operating such dam and water flower plant, shall at its or their expense, make provision in accordance with good engineering requirements, for and shall look or otherwise move vessels in and out of such rool and to the end that the canal and water-way may be successfully operated for transportation purposes. In case any controversy arises at any time or times, with respect to whether or not the provision made for locking or otherwise moving vessels in and out of said pool and past said dary, is in accordance with good engineering requirements, thereupon, either party interested therein, shall have the right to have said controversy arbitrated and upon giving a written notice to the other party with respect thereto, it shall be the duty of each of the parties to select an arbitrator, and the two so chosen shall immediately select a third, and all of such arbitrators shall be disinterested and be civil or hydraulic engineers, of good repute.

Such arbitrators shall without delay make full investigation with respect to the matter in controversy and the award in writing a gned by such arbitrators or a majority of them, shall be binding upon the parties.

The parties of the Mant part further agree that they will cause the Susquehanne and Tide-Water Reilmond Co., by proper corporate action, to locate its route along the west bank of the Susquehanna River, opposite the pool caused by the creation of the proposed dam at an elevation above the level thereof, and so as not to interfere with the plant or works of the Water-power Company, upon condition that the party of the accord part or his associates, or the company ewning or controlling the proposed dam, will without further or other consideration, grant unto the said Railroad Company, and its successions and assigns, the right of way for its tracks, through, over and upon the lands now or hereafter belonging to or hold in the interest of said water-power company.

"The parties of the first part agree that they will not attempt to construct any dem and will not interfere with the party of the second part, or his associates, at any point between the lower end of the tail-rece of the proposed dam (which shell not exceed one mile in length) and Shenk's Perry and the party of the second part and his associates shall not attempt to donstruct any dum nor interfere with the parties of the first part, at other places upon said river.

I further deem it proper to augment that at the time we signed the Agreement in April, 1903, we were both enter that the plans for a water-power development them said to be in contemplation by Dr. Hutchingon and his associates, had been submitted to and disapproved by a number of the Sheat known Hydraulic Engineers

Mr. M. H. No. 5. 4/6/05/

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to be found in this country; and you will no doubt recall that it was with a knowledge of this fact in view, that we caused to be inserted in that Agreement, by the Attorney for Mr. Gany who drew it, the above quoted paragraph, making the provision for submitting the whole question of location and heighth of dam and method of comatruction, maintenance and operation of the said proposed McGall's perry power plant to a Board of Arbitrators, composed of disinterested Civil and Hydraulic Engineers of good repute, before the Sunguehanna Senal and Power Company and the Tide Fater and Susquehanna River Railroad Company could be called upon to provide the secessary plans and surveys to change the location and grades of the transportation canal and water way of the Canal and Power Company on the one hand and the right of way and railroad tracks of the Railroad Company on the other hard, and this for the very manifest reason, that if such a dam, Pifty (50) feet of more in heighth is actually to be constructed and maintained on the location as now claimed by the McCall's Forry Company, then it will necessitate very extensive changes of location and grade of these works for a distance of five or six miles or more of both the transportation canal and water may and the railroad, on the western side of the river, and it will also interfere with the present location and grade of the Pennsylvania Railroad on the enstern side of the River, and in the latter connection will sause a general shifting and change of plans for all of the other water-power developments along the river, so as to develop the remaining water power and also prevent their interferones with the Ponnsylvania Railroad tracks, as well as with the transportation canel and railrund tracks on the wester, -ide of the river, throughout the entire distance above and below Hotall's perry.

I does it essential also to call your attention in this connection to the fact that the original proposed plans and locations for the works and powerhouses heretofore designated as "A", "B", "G", "D", and "K" have not with the approval of the foremost Hydraulic and Klectrical Engineers of the country, and the same when carried out would develop and utilize all of the water-power of the river between Columbia and Wrightsville on the north and Tide-Water on the south, and such plans for the said uniform and comprehensive development would not interfere with and desease the Pennsylvania Railroad on the eastern side of the River, nor with the transportation count and water-way and railroad locations, as aforesaid, on the western side of the River.

It may also be further suggested that if the water-power of the River is owned, controlled, developed and operated under the uniform system as originally designed and laid out, as above stated, then the large storage pools formed by the dams to be constructed in accordance with developments "B" and "E" could be se utilized as to store and supply the water during the low seasons, and thereby furnish a uniform supply of durrent and power for distribution, without the necessity of reserting to the expensive construction and maintanence of sterm supplemental plants, at least until the entire output of 250 000 electrical M. P., cryable of being developed on the river is in natual use, after which time the advisability of mentation by atom power could be considered, and it seems to me that It migi. be found advisable to either locate and distribute the steam auxiliary atations at the several centres of distribution and thus save transmission lesses, or it might; perhaps be found advisable to locate the same in one large central plant at some one point en the river, with proper railroad facilities for the handling of coal and so that it could also be under the more direct management and control of those in charge of the river power plants; and further, by postponing this question of steam installction, the openating Company owning the river power-plants ill have by that time learned what and of a power surve it has to meet, and also how much of its power curve and post-loads oun be supplied from the large along pools along the River.

Mr. H. H. H. No. 6. 4/6/05/

I sall your attention to the fact that the proposed high dam development at McCall's Ferry will entirely oblitarate and destroy the usefulness of the works and power house development designated as "C", and it will also very seriously impair the head and fall of the works and power-house designated as "D".

Therefore, one of the questions to be first determined by this Board of Hydraulic Engineers under the arbitration as suggested, will be to determine the extent of the serious damage thus enused to the property and plans originally designed for the Susquehanna Canal and Power Company, in the event that this unnecessary interference and damage is permitted to be done and caused to its developments "C" & "D", as well as the amount of increased as at which will thereby be placed upon all of the proposed power house developments by reason of their forced change of plans, which will thereby also cause serious interference thereafter with the lossetion, grades, main anance and operation of the Pennsylvania Railroad for a distance of 40 miles or more on the eastern bank of the river, as well as with the Susquehanna Canal and Power Company's transportation canal, and the Railroad location and grades and right of way of the Tide Water and Susquehanna River Railroad, for a like distance on the western shore of the River.

It would therefore som that this unnecessary increased sost and damage when added to the cost and damage which will ascrue by reason of the total destruction of "G" and the serious impairment of "D", would certainly cause the Bankers and investors to at least hositate until these questions are determined by competent Engineers as Arbitantors, how this vast water power can best be developed as one uniform system of works, and with the least possible damage to all other vested interests.

I does it proper to auggest that you are authorized to take the necessary steps for the full protection of our rights in the premises, whether by peaceable negotiations and arbitration, or otherwise, as may become necessary in the premises.

All of which is respectfully submitted.

(Signed) JAMES H. HARLOW, President and Chief Engineer.

P. S. Since writing the above, I have soon and read over the report ande by Mr. Wm. Barclay Parsons, on the proposed McCall's Perry project, as well as a copy Qf the Underwriters Agreement alleged to have been prepared and signed, for the financing of said single project, in connection with which it has been stated to me that almost all of the \$20 000 000. Of scourities therein provided for have been appropriated for usu by the Bankers and others, in order to secure the necessary mency to

Mr. M. H. H. Ho. T. 4/6/08/

essatruat and complete this one Mydro-Electric Works under the construction plans as reported upon by Mr. Parsone.

Bankers have made a personal inspection of the Susquehanna River before compiling this report and signing the underwriting agreement, and it is likewise evident that they were not furnished with the full information and data severed by the detailed plans, showing the surveys, soundings and locations of our proposed works and power houses as hereinabove stated and set forth. And indeed it is quite probable that they were not made aware of any of the material facts sounceted with the property and plans of the Susquehanna Canal and Power Company on the river, and of the unnecessary interference therewith which would be caused by the development of the McCalles perry proposition.

I might further mightest in connection with this financial proposition for the disposition of steck and bonds valued at \$20 000 000. that we would be entirely willing to undertake the construction and completion of at least three of our proposed developments on the river, with the three power-houses connected therewith, containing an installation of machinery for the production of 50 000 H.P. each, aggregating wh installation of 150 000 H.P., for a gross expenditure of less than \$20 000 000., and also settle and adjust with the lawful somers of all vested properly rights and interests which would be damaged by the building and construction of such works; and we further believe that if Hr. Parsons were made fully sware of our prior plans as shows set forth he would join with us in their approval.

(SIGNED) J.R.H.

Agreement for Acquisition of Harlow-McGaw Properties
by Susquehanna Contracting Company

A G R E E M E N T, made this 27 day of April, 1905, between GEORGE K. McGAW, JAMES H. HARLOW and M. H. HOUSEMAN, all of Baltimore, Maryland (hereinafter called "Vendors"), parties of the first part, and HARVEY FISK & SONS, Bankers, of the City of New York (hereinafter called "Purchasers"), parties of the second part,

Vendors, in consideration of the agreements of Purchasers hereinafter stated, hereby agree to sell and transfer, make and deliver, or cause to be sold and transferred, made and delivered to Purchasers, or to their nominee or nominees, the following properties, stocks and contracts:

- lands, easements, shore and riparian rights now owned by the Vendors or by any of them within the State of Pennsylvania or Maryland in and along the Susquehanna River from Columbia to Havre de Grace, including all so-called "releases of damages" so owned. Also all the right, title and interest of one Charles R. McConkey under contracts for the purchase of the Burkins tract and John Bair Estate tract, in the district known as "Peach Bottom". A schedule and map showing said properties in detail is hereto annexed marked "A".
- 2. All the canal rights, property and franchises of the old Tide Water Canal Company, being the canal and property extending along the west bank of the Susquehanna River from the Maryland and Pennsylvania state ling to Havre de Grace.
- ing of the following named corporation of Maryland:

Proprietors of the Susquehanna Canal chartered under Chapter 23 of the Laws of Maryland,

and of each of the following corporations of Pennsylvania:

Susquehanna Canal and Power Co.

Susquehanna Falls Power Co.

Susquehanna River Power Co.

Susquehanna Storage Lake and Power Co.

- 4. Two-thirds of the issued capital stock all of that owned by any of Vendors) of the Conowingo Land Company of Cecil County, a corporation of Maryland.
- 5. A valid agreement duly executed by the Susquehanna Canal & Power Company above named, with the consent of every stockholder thereof, whereby said Company shall consent and agree to the construction, maintenants and operation by the company which makes and issues the bonds hereinafter mentioned as to be delivered to Vendors or by any company which Purchasers may organize or use for that purpose, of a dam or dams and water power plant or plants at any point or points upon the Susquehanna River selected by such Company, and of such character and extent as may be determined upon by it, and to the impounding of, and flooding by, water and other consequences of such construction, maintenance and operation, and whereby said Company shall waive and release all claims of or for damage of expense of any kind to its property or rights by reason of such construction, maintenance or operation; a valid agreement to the same effect, to be executed in like manner and with like consent by the Tide Water and Susquehanna River Railroad Company, a corporation of Penn-

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sylvania and Maryland; and a valid agreement to the same lefect, to be executed by the Conowingo Bridge Company below named, the latter agreement and consent, however, to be conditioned upon the other party thereto agreeing that in case any such water power development should interfere with the existing bridge or its approaches, then all cost and expense of alteration or reconstruction attributable to such development or its consequences shall be paid by such party.

option to purchase all the capital stock of said Conowingo Bridge Company owned or controlled by Vendors, or any of them (being a majority of such stock), that is contained in a certain agreement dated April 5, 1905, between Charles D. Pullen, of the City of New York, as first party, and Vendors as second party.

All Vendors' agreements herein to sell, transfer and deliver, and all transfers and deliveries and instruments thereof, made pursuant hereto, are and are to be subject to the agreement with Charles D. Pullen last above mentioned, a copy whereof is hereto annexed marked "C".

each company, all of whose capital stock is hereby agreed to be sold and transferred by Vendors, such capital stock shall represent and carry the ownership of all the properties, rights and franchises of such corporation free and clear of lien, incumbrance or debt; and it is Nirther understood and agreed that together with the transfer of such stocks there shall be delivered to Purchasers or their nominees, resignations of all officers and directors of such corporations.

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In consideration of the agreements hereinbefore stated, Purchasers hereby agree, upon being satisfied as to titles, corporate organizations and forms of agreement as hereinafter stated, and subject to the abandonment of the enterprise as hereinafter stated, to pay and deliver, or cause to be paid and delivered, to Vendors at the time hereinafter stated, and upon delivery of everything as hereinbefore provided. (a) \$200,000 in money. (b) \$250,000 in aggregate principal amount of bonds out of the issue of \$10,000,000 in aggregate principal amount described in the "Bond and Stock Purchase Agreement", a copy whereof is hereto annexed, marked "B", and (c) \$100,000 in par value of the common stock of the Company so to issue said bonds; and Purchasers further agree, upon such delivery, to assume and perform, or cause to be assumed and performed, the aforesaid agreement, copy whereof is hereto annexed, marked "C".

The time and place for delivery and payment hereunder shall be the first day of June, 1905, at the office of Simpson, Thacher & Bartlett in the City of New York.

Vendors are to provide and secure to Purchasers and their attorneys forthwith access to all books and corporate records of the corporations hereinbefore mentioned, and to all briefs and abstracts of title and all other papers and documents pertinent to an inquiry into titles and corporate history, standing and stock issues; and it is understood and agreed that titles to the properties set forth in Schedule A, hereto attached, and the validity of the corporate organizations, franchises and stock issues of the corporations hereinbefore named, shall be satisfactory to Purchasers and their counsel; otherwise the obligations hereof to cease.

It is further understood that if, prior to the consummation hereof, Purchasers should abandon the carrying out of the Plan set forth in said agreement marked B, hereto attached, then all obligations of both parties hereunder shall cease.

It is further agreed that in case the bonds and stock agreed to be delivered by Purchasers to Vendors should not be issued or ready for delivery at the consummation hereof, then Vendors shall accept in lieu thereof the agreement of the Purchasers to cause such bonds and stock to be issued and delivered to them on or before September first, 1905, interest at the bond rate from time of consummation hereof to date from which bonds carry interest, to be paid to Vendors.

IN WITNESS WHEREOF said parties have hereunto set their hands and seals the day and year first above written.

GEO. K. McGaw,	(T.	S.
JAMES H. HARLOW,	(L.	s.)
M. H. HOUSEMAN,	(L.	5.)
HARVEY FISK AND SONS	17	c)

For valuable consideration the undersigned hereby assigns to Susquehanna Contracting Company the foregoing contract, and all right, title and interest of the undersigned therein and thereunder.

Dated, New York, June 14th, 1905.

HARVEY FISK & SONS.

It is further understood hat if, prior to the consummation hereof, Purchasers should abandon the carrying out of the Plan set forth in said agreement marked B, hereto attached, then all obligations of both parties hereunder shall cease.

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IN WITNESS WHEREOF said parties have hereunto set heir hands and seals the day and year first above written.

IT IS HEREBY MUTUALLY AGREED that the time for delivery and payment under the agreement, of which the foregoing is a copy, be, and the same hereby is, further changed from the first day of June, 1905, to the 15th day of June, 1905, at the same place, with the same effect in all respects as if the words "the 15th day of June, 1905" had been written in said contract in the second paragraph on page "4" thereof, in place of the words "the first day of June, 1905."

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June 16 1905 East Wharler of the Author

June 16 1905 Loss Wharlow

June 18 1905 Loss Wharlow

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